

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	198.37	198.37	196.60	196.60	198.37	196.60	(1.77)	(0.89)%
Personal Services	14,124,805	15,533,334	16,817,574	16,816,225	29,658,139	33,633,799	3,975,660	13.40 %
Operating Expenses	12,080,754	12,709,090	13,685,952	13,824,567	24,789,844	27,510,519	2,720,675	10.97 %
Equipment & Intangible Assets	45,804	5,287	45,804	45,804	51,091	91,608	40,517	79.30 %
Grants	106,968	360,666	156,968	156,968	467,634	313,936	(153,698)	(32.87)%
Debt Service	85,270	151,412	85,270	85,270	236,682	170,540	(66,142)	(27.95)%
Total Costs	\$26,443,601	\$28,759,789	\$30,791,568	\$30,928,834	\$55,203,390	\$61,720,402	\$6,517,012	11.81 %
State/Other Special Rev. Funds	25,711,315	27,252,100	29,836,988	29,943,828	52,963,415	59,780,816	6,817,401	12.87 %
Federal Spec. Rev. Funds	732,286	1,507,689	954,580	985,006	2,239,975	1,939,586	(300,389)	(13.41)%
Total Funds	\$26,443,601	\$28,759,789	\$30,791,568	\$30,928,834	\$55,203,390	\$61,720,402	\$6,517,012	11.81 %

Program Description

The General Operations Program provides overall policy direction and management to the agency, administers motor fuel taxes, and provides administrative support services for the department, including general administration and management, accounting and budgeting, ensuring civil rights and equal opportunity, legal services, public affairs, information technology services, human resources activities, compliance review, and goods and services procurement.

Program Highlights

General Operations Program Major Budget Highlights	
<ul style="list-style-type: none"> Transfer of legal services shifts a biennial \$2.7 million in personal service costs from the Construction Program Personal services are also increased by requests for an additional 5.05 FTE <ul style="list-style-type: none"> Increase current FTE to full time in civil rights bureau (1.80 FTE) Additional fuel tax auditors (2.25 FTE) A new proposal for an electronic records manager (1.00 FTE) The non-personal services expenditure items are approximately \$1.0 million per year greater than FY 2015 <ul style="list-style-type: none"> As the administering program for MDT, fixed cost adjustments explain most of the increase in non-personal service items 	

Program Discussion -

The General Operations Program provides general oversight for the agency. This program is impacted by the increased budget changes related to fixed costs and inflation/deflation factors. As an addition to the program oversight, the legal services function was transferred from the Construction Program to this program. Consequently, the program was increased by 12.00 FTE.

Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base

FY 2015 Appropriation Transactions - Department of Transportation				
Program	Legislative Appropriation	House Adjustments	Reorgs	Total Executive Implementation
01 GEN OPERATIONS	\$27,285,620			\$27,285,620
Move Legal Ser. - PS State Spc.			943,294	943,294
Move Legal Ser. - PS Fed. Spc.			331,427	331,427
Move Legal Ser. - OpEx State Spc.			147,592	147,592
Move Legal Ser. - OpEx Fed. Spc.			51,856	51,856
Change in Funding-Fed. Spc.		(\$75,000)		(75,000)
Change in Funding-State Spc.		75,000		75,000
Change in Funding-State Spc.		(250)		(250)
Change in Funding-Fed. Spc.		250		250
Program Total	\$27,285,620		- \$1,474,169	\$28,759,789

In this program, there was one change between the executive FY 2015 budget and the legislative FY 2015 budget. The program's 2015 budget was increased by \$1.5 million through a reorganization within the agency. The reorganization moved 12.00 FTE from the Construction Program to this program. Other changes seen in the figure above include the movement of authority between state special and federal special funds, as authorized in HB 2 language.

Comparison of FY 2014 Actual Expenditures to FY 2015 Appropriations

The General Operations Program did not fully expend its budget authority in FY 2014. Historically, this is not unusual.

Relevant personal service statistics and attributes include:

- Increased FTE related to the reorganization of the Legal Services Division
- 88.8% of FTE time used in FY 2014
- 94.6% of personal services budget used in FY 2014
 - Personal services were paid 95.8% state special and 4.2% federal special revenue
- 7.30 FTE were given career ladder raises and 1.00 FTE was given strategic pay raise

The program moved budget authority from operating expenses and into the equipment budget in support of computer hardware costs exceeding \$5,000, a change based on state accounting principles. The continued budget for this funding indicates an expectation of continued expenses in the future.

The program distributes the federal grant funds of the Disadvantaged Business Enterprises Program and the On-the-Job Training Program. In FY 2014, the federal funds distribution were delayed, resulting in the use of just 30% of the grants budget.

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Transportation, 01-General Operations Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
02294 UCR Fund	17,365	0	0	17,365	0.02 %
02301 Tribal Motor Fuels Admin.	0	0	7,200	7,200	0.01 %
02303 Tribal Motor Fuels Tax Acct	0	0	9,421,488	9,421,488	9.19 %
02422 Highways Special Revenue	59,763,451	0	33,332,000	93,095,451	90.79 %
State Special Total	\$59,780,816	\$0	\$42,760,688	\$102,541,504	98.14 %
03292 MCS FEDERAL GRANTS	17,366	0	0	17,366	0.90 %
03407 Highway Trust - Sp Rev	1,922,220	0	0	1,922,220	99.10 %
Federal Special Total	\$1,939,586	\$0	\$0	\$1,939,586	1.86 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$61,720,402	\$0	\$42,760,688	\$104,481,090	

The General Operations Program is primarily funded from the highways state special revenue fund (02422) and federal highway trust special revenue. The highways state special revenue account receives revenue primarily from motor fuel taxes, gross vehicle weight permit fees, and reimbursements for indirect costs associated with the federal-aid highway program via a Federal Highways Administration (FHWA) approved indirect cost plan. Federal funding is available for assistance for disadvantaged businesses, training, fuel tax evasion prevention efforts, and direct administrative expenses associated with the federal-aid highway program.

The General Operations Program is also responsible for \$42.8 million of statutory appropriations. Most, \$33.3 million, are the distributions of fuel taxes to cities, towns, counties, and consolidated city-county governments. Distributions through the tribal motor fuels accounts are a function of the revenue sharing agreements between the tribes and the state. Funding for this purpose is transferred to the tribal accounts from the highway state special account.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
-----General Fund-----					-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	27,285,620	27,285,620	54,571,240	0.00 %
PL Adjustments	0	0	0	0.00 %	3,427,585	3,565,051	6,992,636	0.00 %
New Proposals	0	0	0	0.00 %	78,363	78,163	156,526	0.00 %
Total Budget	\$0	\$0	\$0		\$30,791,568	\$30,928,834	\$61,720,402	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments									
-----Fiscal 2016-----					-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law									
0.00	0	2,657,783	(177,185)	2,480,598	0.00	0	2,628,561	(149,112)	2,479,449
DP 99 - LEG. Present Law									
0.00	0	1,014,628	(67,641)	946,987	0.00	0	1,150,890	(65,288)	1,085,602
Grand Total All Present Law Adjustments									
0.00	\$0	\$3,672,411	(\$244,826)	\$3,427,585	0.00	\$0	\$3,779,451	(\$214,400)	\$3,565,051

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments				
FY 2016				
CP 98 PSPL Item	FTE	State Special	Federal Special	Total Funds
State Share Health Insurance	191.55	\$88,439	\$4,655	\$93,093
Executive Implementation of 2015 Pay Increase		272,877	14,362	287,239
Fully Fund 2015 Legislatively Authorized FTE		256,881	20,339	277,220
Other				
BCD: Re-Organization - Legal Services	0.00	1,108,694	269,034	1,377,728
DP 102 - Additional Civil Rights FTE	1.80	148,219	-	148,219
DP 103 - Motor Fuel Auditor	2.25	123,007	-	123,007
Remainder of Other	0.00	659,666	(485,575)	174,091
Total Other	4.05	\$2,039,586	(216,541)	1,823,045
Personal Services Present Law Adjustments	195.60	\$2,657,783	(\$177,185)	\$2,480,598
FY 2017				
CP 98 PSPL Item	FTE	State Special	Federal Special	Total Funds
State Share Health Insurance	191.55	\$88,439	\$4,655	\$93,093
Executive Implementation of 2015 Pay Increase		272,877	14,362	287,239
Fully Fund 2015 Legislatively Authorized FTE		256,881	20,339	277,220
Other				
BCD: Re-Organization - Legal Services	0.00	1,112,129	269,867	1,381,996
DP 102 - Additional Civil Rights FTE	1.80	147,843	-	147,843
DP 103 - Motor Fuel Auditor	2.25	122,705	-	122,705
Remainder of Other	0.00	627,687	(458,335)	169,352
Total Other	4.05	\$2,010,364	(\$188,468)	1,821,896
Personal Services Present Law Adjustments	195.60	\$2,628,561	(\$149,112)	\$2,479,449

The personal services budget would increase by \$2.5 million per year under legislative present law adjustments. As seen in the figure above, the impacts of HB 13, employee health care, and the increase associated with the add-back of the 2015 biennium additional 2% vacancy savings create average PSPL adjustment of \$657,553/year, or 26.5% of the total personal service adjustments.

Other decision points for legislative discussion and approval include:

- A reorganization that increased total FTE by 12.00 and personal services costs by approximately \$1.3 million each year of the biennium
- DP 102 - Additional Civil Rights FTE – 1.80 FTE are requested for the Civil Rights Bureau, which currently has two positions funded as a 0.1 FTE. The agency states that the increase of the positions is proposed to promote compliance of laws and ensure opportunities are offered to all current and potential beneficiaries
- DP 103 - Motor Fuel Auditor –2.25 FTE are requested to conduct International Fuel Tax Agreements and International Registration Plan audits due to the increased truck traffic in Eastern Montana

The “remainder of other” row in the figure above averages 1.0% of the total personal services budget and consists of various adjustments such as a funding switch from federal special revenue to state special revenue, career ladder pay raises, and longevity pay increases. The personal services request of this program also includes a \$26,243/year increase in overtime and differential pay, bringing the total to \$62,372/year.

DP 99 - LEG. Present Law -

The following table outlines various components of the changes included in the LGPL adjustments.

Legislative Present Law Adjustments			
LGPL CP 99 Item	FY 2016		
	State Special	Federal Special	Total Funds
Other Decision Points:			
BCD: Re-organization - Legal Services	\$147,592	\$51,856	\$199,448
Fixed Costs Adjustments	1,566,531		1,566,531
DP 103 - Motor Fuel Auditor	8,600		8,600
DP 01122 - Equipment Rental	617		617
Miscellaneous Other	(708,712)	(119,497)	(828,209)
Total LGPL	\$1,014,628	(\$67,641)	\$946,987
LGPL CP 99 Item	FY 2017		
	State Special	Federal Special	Total Funds
Other Decision Points:			
BCD: Re-organization - Legal Services	\$147,592	\$51,856	\$199,448
Fixed Costs Adjustments	1,712,296		1,712,296
DP 103 - Motor Fuel Auditor	1,000		1,000
DP 01122 - Equipment Rental	586		586
Miscellaneous Other	(710,584)	(117,144)	(827,728)
Total LGPL	\$1,150,890	(\$65,288)	\$1,085,602

The figure above includes all present law adjustments requested for operating expenses, equipment, grants, transfers, and debt service. The adjustments are shown in decision points to provide a mechanism for legislative discussion and decision.

Other decision points include:

- Fixed Costs Adjustments – This request primarily funds all the fixed cost adjustments for MDT. The adjustment for the state’s Information Technology Services Division costs averages 50% of the increase over the biennium. The General Operations Program administers and funds all the fixed costs of the agency

- DP 102, DP 103 are the operating expenses associated with the present law personal service requests discussed above
- DP 01122 – This request would provide an increase to operating expenses to fund the increased use of equipment rentals through the Equipment Program. This request represents the expected increased use of equipment rentals in the program during the 2017 biennium

The “miscellaneous other” row in the figure above represents the amount of changes not captured in specific decision points and provides a reduction of about 5.9% of the non-personal services budgets and includes a reduction of approximately \$190,000 each year in disadvantaged business enterprises grants. The decision point provides a general reduction from the FY 2015 budget.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100104 - Electronic Records Manager	1.00	0	78,363	0	78,363	1.00	0	78,163	0	78,163
Total	1.00	\$0	\$78,363	\$0	\$78,363	1.00	\$0	\$78,163	\$0	\$78,163

DP 100104 - Electronic Records Manager -

The executive requests 1.00 additional FTE (electronic records manager) to manage the increasing needs of electronic record keeping for MDT. As a follow-up to a 2007 consultant's suggestion, an internal audit recommended that the agency acquire the necessary tools and human resources to implement an electronic records management solution for the agency. MDT information services requests this FTE to develop an electronic records management program to implement this system for the agency.